



Connecticut Center for Advanced Technology, Inc.

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March 22, 2010

The Honorable Gayle Slossberg
Assistant Majority Leader
Chair, Government Administration and Elections
Legislative Office Building – Room 2200
Hartford, CT 06106

The Honorable James F. Spallone
Assistant Majority Leader
Legislative Office Building – Room 2202
Hartford, CT 06106

Re: Raised Bill 467 – Requested Follow-up to CCAT Testimony of 3/19/10

Dear Senator Slossberg and Representative Spallone,

Thank you for allowing me to testify Friday regarding Bill 467 and your insightful questions. Below is the summary data from the very successful Aerospace & Defense Initiative (ADI) that CCAT managed for Connecticut.

- The purpose of the ADI was to help small to medium-size manufacturers become more competitive and keep good paying jobs in Connecticut.
- ADI was launched in the Fall of 2005 and ended June 2009.
- The \$2M of ADI funding produced more than \$8M in private investment and was involved in creating 700 new jobs.
- 246 lean transformation projects were conducted at 76 companies.
- Aggregate results from the projects

FAST	EFFICIENT	FLEXIBLE	CAPABLE	COMPACT
Lead Time	Cycle Time	Set-up Time	Quality	Space
Improvement	Improvement	Improvement	Improvement	Reduction
53%	37%	50%	51%	39%

These quantum jumps in performance helped the manufacturers become more competitive in their customers eyes. FAST & FLEXIBLE equate to delivering what the customer wants, when they want it. CAPABLE means the company can meet customer expectations for 100% quality (no defects). EFFICIENT directly relates to cost competitiveness and COMPACT defines the ability to take on more work in the same facility and/or decommission space for further cost savings.

These same results can be expected as lean is applied to Connecticut government.



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I would like to add that CCAT received national recognition for our management of the ADI. In 2008, the State Science & Technology Institute (SSTI) recognized CCAT with the Technology Based Economic Development (TBED) award for Improving Competitiveness of Existing Industries. [Link to more info.](#)

In response to your question regarding a steering committee for Connecticut's lean government transformation, an executive level steering committee is essential to successful lean implementation. The steering committee should plan the initial roll-out, periodically monitor progress, manage internal & external communication, assess return-on-investment, and plan & direct migration. A senior member of the Governor's staff should chair the steering committee comprised of 4-5 business leaders appointed to fill rotational assignments. The business leaders should be C-level executives representing a cross-section of Connecticut business (i.e.; manufacturing and service sector) that have experience implementing lean in their organizations. CCAT can act as advisor to the chairperson and be a non-voting member of the committee.

In addition, per your request, please find attached the latest proposal CCAT submitted to the DECD in December 2009. At that time, our intent was to continue the successful involvement we established with Connecticut manufacturers. We believe that with legislative approval approximately \$100,000 of this proposal can be redirected to allow CCAT to support your committee's thrust for lean government.

Please don't hesitate to contact me if there are any questions.

Thank you.

Robert Torrani
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cc: Elliot A. Ginsberg
President and Chief Executive Officer

Attachment A

STATE OF CONNECTICUT

Connecticut Center for Manufacturing Supply Chain Integration (CMSCI)

CONNECTICUT CENTER FOR ADVANCED TECHNOLOGY, INC.

Proposal for Administration Funding

December 1, 2009

Introduction and Foreword

The Connecticut Center for Advanced Technology, Inc. (CCAT) proposes to administer the Connecticut Center for Manufacturing Supply Chain Integration CMSCI program. In accordance with House Bill 6802 and Public Act No. 09-3 the scope of CMSCI will be to assist all small and medium sized manufacturers in the state.

CCAT is a non-stock, tax-exempt corporation incorporated on May 3, 2004, and is funded under federal and state sponsored grants. CCAT's mission is to provide services and resources to entrepreneurs and businesses and, through collaboration with industry, academia, and government, helps companies innovate and compete, thereby strengthening our nation in the global market. CCAT's vision is to be acknowledged by our customers as the "go to" resource for improving America's competitiveness and as the "best practices" partner for entrepreneurs and businesses with a technology focus.

Proposal and Justification

CCAT, in cooperation with DECD, will continue to operate a center for supply chain integration to assist all small and medium-sized manufacturers in the state to adopt the business best practices needed to fully participate in the next generation of manufacturing supply base and to assist in top line sales growth which will contribute to the overall economic development of the state.

Management

CCAT will work closely with DECD to maintain the tools necessary to administer the programs and projects described in this proposal in the most effective and efficient manner possible.

Reporting

CCAT shall provide reports to DECD as requested with a frequency of not less than monthly. Each report will include as a minimum the number of companies in loaded in PASKIO, the number of new SME websites delivered, new manufacturing job postings (accessible on website) and the number of companies participating in the ASEP programs.

Statement of Work

YEAR 1 (to be completed in 8 months)

1. Product & Service Kiosk (PASKIO)

a. Update and maintain PASKIO (80 man-hours = \$1,484)

CCAT proposes to update and maintain the current version of the Product and Services Kiosk (PASKIO) software. It currently holds 1000 Aerospace and Defense (A&D) companies and is accessible through the CCAT website. CCAT developed this interactive software program last year. It quickly and easily allows a user to locate Connecticut based A&D manufacturers by the products or services they provide. PASKIO was introduced in the State of Connecticut booth at the 2009 Paris Air Show and was a popular attraction for dozens of users.

b. Add 1000 SMEs to PASKIO (460 man-hours = \$21,843)

CCAT proposes to start adding approximately 4000 general manufacturing SMEs to PASKIO. During the first year of funding, CCAT will add 1000 of those 4000 SMEs. CCAT will use data available from online resources such as ThomasNet, Harris, D&B and the CCAT CRM to populate the system.

c. Design, build and install 2 PASKIOs (124 man-hours = \$2,299 + \$14,400 hardware = \$16,699)

CCAT proposes to design and build 2 PASKIOs and install them in CCAT lobby areas where visitors will have access them. These kiosks will be stand-alone, walk-up accessible podiums that run continuously and resemble ATM machines. PASKIO will be a tool used by the public/private/government sectors to locate Connecticut Suppliers. It will also be great marketing tool that could be expanded to other industries and could be installed in other locations. The kiosks will contain a basic computer, monitor and mouse.

2. Websites 4 Manufacturers Program

a. Develop a standard website template for Connecticut manufacturers (250 man-hours = \$7,991)

CCAT proposes to develop a standard website template for an estimated 1000 SMEs that don't have websites. CCAT will use our own IT resources to design a template that allows for basic manufacturing information to be presented on the web including detailed capabilities of the SME. CCAT has learned through studies done by third party consultants that as many as 1000 Connecticut SMEs do not have websites and thus are missing out on new business opportunities. Potential customers use website search engines like Google and other website crawlers to locate companies with certain capabilities. The importance of customers finding local manufacturers via the web was evident and apparent by everyone who attended the Air Show Exhibition Programs at Farnborough and Paris.

- b. Market the Website 4 Manufacturers Program to 1000 SMEs (300 man-hours = \$15,093)

CCAT proposes to market the Website 4 Manufacturers Program to the approximate 1000 SMEs that don't have websites. This effort will include brochures, e-mails, e-blasts, presentations, site visits and inclusion in the CCAT newsletter and on the CCAT website. CMSCI will continue to promote productivity improvement projects, will maintain an on-line Registered Service Provider data base in addition to the other CMSCI programs listed in this proposal.

- c. Gather website info for 100 SMEs (580 man-hours = \$28,190 + \$5,400 local travel = \$33,590)

CCAT proposes to provide assistance in gathering, organizing and/or developing website information, including company details, products and services descriptions, logos, photos and detailed capabilities for 100 SMEs. This effort will include site visits to 100 SMEs and the information gathered will be passed on to CCAT IT developers who will build the websites, see "d" below.

- d. Create and deliver 100 new SME websites (600 man-hours = \$18,588)

CCAT proposes to have our IT developers take the information gathered in "c" above and populate a standardized webpage for 100 SMEs that don't have a web presence. CCAT will create the website, review it with SMEs and verify that it is up, running and operating properly. Sustainability and hosting costs will be negotiated separately.

3. Job Posting Program

- a. Monitor and publish a summary of CT manufacturing job postings (64 man-hours = \$1,187)

CCAT proposes to monitor and report on the status of CT manufacturing jobs on a weekly basis. This effort will include gathering job postings from several on-line sources such as Monster, Career Builder and the Hartford Courant. Several years ago, CCAT determined the best way to measure the needs of CT manufacturers, was to look at their job postings. CCAT maintains several reports on our website that show types of jobs and experience levels required for the jobs posted. This tool is used by public/private/government/education groups to monitor current manufacturing job opportunities.

4. Air Show Exhibition Program ASEP

- a. ASEP 2010 Farnborough – Coordinate, plan, attend and cost share for ASEP 2010 Farnborough (240 man-hours = \$11,851 + \$75,959 cost share + \$8,640 travel = \$96,450)

CCAT proposes to plan and coordinate a State of Connecticut Exhibit at the 2010 Farnborough Air Show. In 2010, CCAT expects to take 25 Connecticut manufacturers to the show. This effort includes man-hours, travel and cost share. The ASEP program has been a huge success for the past 4 years at Farnborough and Paris. Participating SMEs in the 2009 Paris Show are anticipating \$6M in new sales from that show. CCAT has determined to continue the ASEP program.

- b. ASEP 2011 Domestic Air Show – Planning for a new ASEP (700 man-hours = \$26,634)

CCAT proposes to start planning an ASEP at one of the key domestic Air Shows. CCAT plans to take 10 CT manufacturers to a domestic air show sometime in 2011. In 2010, this effort includes only man-hours. CCAT has determined that this is a way to reach those SMEs that can't afford going to an international show. Supporting a domestic show is expected to be less costly than supporting an international show. Several SMEs have suggested we consider choosing a show based on a supply chain associated with a specific platform like the Joint Strike Fighter (JSF), F-22 or Geared Turbo Fan engine (GTF). Others have suggested a helicopter show like one of the American Helicopter Society AHS or Heli-Expo shows.

5. Intern Program

- a. Support summer intern (480 hours = \$5,846)

CCAT proposes to support the hiring of a CT student as a summer intern. This intern would be used to work on DECD sponsored programs listed above.

YEAR 2 (to be completed in 12 months) - The following is a description of the activities CMSCI intends to perform in year 2 of the contract. Budgetary estimates will be provided at a later time.

6. Product & Service Kiosk (PASKIO)

a. Update and maintain PASKIO

CCAT proposes to continue to update and maintain PASKIO software. By the beginning of year two of the proposal, PASKIO should have 2000 Connecticut SMEs loaded into the software. PASKIO will continue to be accessible through the CCAT website.

b. Add 1000 SMEs to PASKIO

CCAT proposes to add another 1000 general manufacturing SME's to PASKIO. By the end of this second year, PASKIO should have 1000 A&D SMEs plus 2000 general manufacturing SMEs. With an estimated 5,000 SMEs in the state, this will represent 60% of the manufacturing firms in the state. CCAT will continue to use data available from online resources such as ThomasNet, Harris, D&B and the CCAT CRM to populate the system.

c. Maintain 2 PASKIOS

CCAT proposes to maintain 2 PASKIOS at CCAT. These kiosks will be stand-alone, walk-up accessible podiums that run continuously and resemble an ATM. The kiosks will contain a simple computer, monitor and mouse.

7. Website 4 Manufacturers Program

a. Market the Website 4 Manufacturers Program to 900 SMEs

CCAT proposes to market the Website 4 Manufacturers Program to the approximate 900 SMEs that don't have websites. This effort will include brochures, e-mails, e-blasts, presentations, inclusion in the CCAT newsletter and on the CCAT website.

b. Gather website info for 100 SMEs

CCAT proposes to provide assistance in gathering, organizing and/or developing website information, including company details, products and services descriptions, logos, photos and detailed capabilities for 100 SMEs. This effort will include site visits to 100-125 SMEs and the information gathered will be passed on to CCAT IT developers who will build the websites as described in "c" below. CMSCI will continue to promote productivity improvement projects, will maintain an on-line Registered Service Provider data base in addition to the other CMSCI programs listed in this proposal.

c. Create and deliver 100 new SME websites

CCAT proposes to have our IT developers take the information gathered in "b" above and populate standardized websites for 100 SMEs that don't have a web presence. CCAT will create the website, review it with SMEs and verify that it is up, running and operating correctly. Sustainability and hosting costs will be negotiated separately.

8. Job Posting Program

a. Monitor and publish a summary of CT manufacturing job postings

CCAT proposes to continue to monitor and report on the status of CT manufacturing jobs on a weekly basis. This effort will include gathering job postings from several on-line sources such as Monster, Career Builder and the Hartford Courant. Several years ago, CCAT determined the best way to measure the needs of CT manufacturers was to look at their job postings. CCAT maintains several reports on our website that show types of jobs and experience levels of jobs posted.

9. Air Show Exhibition Program ASEP

a. Coordinate, plan, attend and cost share for ASEP 2011 Paris

CCAT proposes to plan and coordinate a State of Connecticut Exhibit at the 2011 Paris Air Show. In 2011, CCAT expects to take 25 Connecticut manufacturers to the show. This effort includes man-hours, travel and cost share. In the past, the ASEP program has been a huge success at Farnborough and Paris. Participating SMEs in the 2009 Paris Show are anticipating \$6M in new sales from that show. CCAT has determined to continue the ASEP program.

b. Plan, coordinate and attend a first time ASEP 2011 Domestic Air Show

CCAT proposes to continue to plan, coordinate and attend a domestic air show that will best benefit Connecticut A&D SMEs. This effort includes man-hours, travel and cost share. CCAT has determined that this ASEP will create an opportunity for SMEs that still can't afford going to an international air show. Supporting a domestic show is expected to be less expensive than the Paris or Farnborough air shows. Some preliminary discussions with SMEs suggests the show be picked by platform (JSF, F-22, GTF etc.) or a helicopter show like one of the American Helicopter Society AHS or Heli-Expo shows.

10. Intern Program

a. Support summer intern

CCAT proposes to support the hiring of a CT student as a summer intern.

Reporting – 1st year

CCAT shall provide a CMSCI progress report to DECD on a quarterly basis. On or before the 15th of January 2010, April 2010, July 2010 and October 2010, CCAT will deliver a progress report that will include a summary of each activity with a status of tactics, deliverables and metrics for each, as appropriate. As a minimum it will include:

Task 1 – The number of companies added to PASKIO

Task 2 – The number of new SME websites on-line

Task 3 – Summary of quarterly Job Postings

Task 4 – Status of ASEP Farnborough 2010, budget, plan, marketing and number of participating companies

Task 4 - Status of ASEP Domestic 2011, budget, plan, marketing and number of participating companies

CCAT shall provide a financial report to DECD on a semi-annual basis in July 2010.

Description of Expenditures

Staff

Four Manufacturing Supply Chain Initiative (MSCI) staff members, one CCAT IT member and one seasonal intern will be required to accomplish the proposed tasks, including the Director, Program Manager, Process Improvement Specialist, Program Assistant and an administrative assistant from MSCI, and a programmer from IT. These individuals will contribute to the program by performing a number of activities, including, but not limited to:

- Developing and maintaining all program material necessary to administer CMSCI programs described above
- Maintaining CMSCI website
- Managing and coordinating PASKIO
- Managing and coordinating the Website 4 Manufacturers program
- Managing and coordinating Supply Chain Development and Air Show events
- Managing and coordinating the Job Postings program
- Conducting supplier visits to market the CMSCI programs

Other expenditures will be required for travel, meetings, collateral materials and the workshop(s).

Staffing: Organizational Chart

Staff	Responsible Activities	Percentage of Time to CMSCI
Robert Torrani (Director)	Responsible for all program activities	Up to 10%
Wayne Sumple (Program Manager)	Assist with program activities and project management	Up to 40%
Don Balducci (Process Improvement Specialist)	Support for all program activities	Up to 20%
Mark Johansen (Program Assistant)	Support for all program activities	Up to 25%
TBD (IT programmer)	Support for all outreach activities	Up to 45%
TBD Intern	Assist with all activities	seasonal

Project Budget

Administrative Salaries and Fringes	\$195,996
Air Shows, Travel and Office Expenses	\$89,999
Professional Fees/equipment	\$14,400
G&A	\$79,605
Total	\$380,000

Proposal Summary

CMSCI proposes to manage 5 major projects with this proposal – PASKIO, Websites 4 SME's, Monitoring Job Postings, ASEP – Farnborough Air Show, ASEP – Domestic Show and the Support of a Summer Intern. CMSCI chose these 5 projects to increase top line growth for the 5000 SME's in the state. Of the 5 projects, Websites 4 SME's and the ASEP – Domestic Air Show are new. With 20% of SME's not having an adequate web presence, the Websites 4 SME's program is expected to have the biggest ROI. And CMSCI expects significant participation in a State of CT Booth at a Domestic Air Show. \$75,959 of the \$380,000 will be used to cost share participation at the Farnborough Air Show with the bulk of the rest of the funding going to man-hours to run CMSCI.

ID	Project	Task Name	2009			2010												2011																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																
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CMSCI Roadmap November 1, 2009 to June 30, 2010

<u>Program</u>	<u>Tactics</u>	<u>Deliverables</u>	<u>Metrics Tracked</u>
Product & Service Kiosk (PASKIO)	Update and maintain PASKIO (80 hours=\$1484)	Updated version	# of changes
	Add 1000 SMEs (460 hours=\$21,843)	Updated version	# of added SMEs
	Design, build and install 2 PASKIOs (124 man-hours = \$2,299 + \$14,400 hardware = \$16,699)	2 systems	Delivery date
Websites 4 Manufacturers Program	Develop a standard website template for Connecticut manufacturers (250 man-hours = \$7,991)	Standard Template	Delivery date
	Market the Website 4 Manufacturers Program to 1000 SMEs (300 man-hours = \$15,093)	Marketing Material	SMEs contacted
	Gather website info for 100 SMEs (580 man-hours = \$28,190 + \$5,400 local travel = \$28,249)	NA	# of participating SMEs
	Create and deliver 100 new SME websites (600 man-hours = \$19,147)	New SME websites	# of New SME websites
Job Posting Program	Monitor and publish a summary of CT manufacturing job postings (64 man-hours = \$1,187)	Updated website	Maintain schedule of posting
ASEP	ASEP 2010 Farnborough – Coordinate, plan, attend and cost share for ASEP 2010 Farnborough (240 man-hours = \$11,851 + \$75,959 cost share + \$8,640 travel = \$96,450)	State of CT A&D presence at FAS 2010	# of SMEs participating
	ASEP 2011 Domestic Air Show – Planning for a new ASEP (700 man-hours = \$26,634)	Plan for State of CT A&D presence at a domestic air show	\$ of new business
ASEP			Continued feasibility

CMSCI Roadmap July 1, 2010 to June 30, 2011

Program	Tactics	Deliverables	Metrics Tracked
Product & Service Kiosk (PASKIO)	Update and maintain PASKIO	Updated version	# of changes
	Add 1000 SMEs	Updated version	# of added SMEs
	Design, build and install 2 PASKIOs	2 systems	Delivery date
	Develop a standard website template for Connecticut manufacturers	Standard Template	Delivery date
Websites 4 Manufacturers Program	Market the Website 4 Manufacturers Program to 1000 SMEs	Marketing Material	SMEs contacted
	Gather website info for 100 SMEs	NA	# of participating SMEs
	Create and deliver 100 new SME websites	New SME websites	# of New SME websites
	Monitor and publish a summary of CT manufacturing job postings	Updated website	Maintain schedule of posting
ASEP	ASEP 2010 Farnborough – Coordinate, plan, attend and cost share for ASEP 2010 Farnborough	State of CT A&D presence at FAS 2010	# of SMEs participating
	ASEP 2011 Domestic Air Show – Planning for a new ASEP	Plan for State of CT A&D presence at a domestic air show	\$ of new business
ASEP			Continued feasibility

